

March 15, 2005

Renee Cipriano, Director
Illinois Environmental Protection
Agency
P.O Box 19276
1021 North Grand Avenue East
Springfield, Illinois 62794-9276

Dear Ms. Cipriano:

My staff and I have completed our review of the Illinois Environmental Protection Agency (Illinois EPA) Fiscal Year (FY) 2004 environmental activities, including information contained in your agency's FY 2004 Performance Partnership Grant (PPG) Annual Performance Report. This annual evaluation is required under 40 Code of Federal Regulations (CFR) 35.40(b) and 40 CFR 35.115(a).

The enclosed program comments have been provided by my various offices. Consistent with the Environmental Performance Partnership Agreement (Agreement), these comments are intended to provide some level of overview of all the various programs contained in the agreement unless otherwise noted. Individual program offices may also have conducted and documented their own end-of-year meetings, which provide more details. If not otherwise mentioned, you can assume that the State's commitments in a particular program area are being met satisfactorily.

I am pleased to recognize many of the positive highlights in which Illinois is demonstrating significant leadership. Illinois is to be commended for exceeding its commitments for the development of TMDLs, completing source water assessments for all public water drinking systems in the State, and meeting its commitments of reducing the backlog of major NPDES permits to 10% by the end of calendar year 2004. In addition, I want to recognize Illinois EPA's participation in conducting ozone and PM2.5-related analysis and modeling through the Lake Michigan Air Directors Consortium, which reflects the kind of regional cooperation necessary to effectively solve our air quality problems, as well as the State's involvement in the national initiative for inspecting foundries that could result in a successful model for environmental agencies across the Country. Although not discussed in the enclosure, I also wish to highlight the State's efforts in working multi-media on the Waukegan Harbor Area of Concern and participating in the Great Lakes Regional Collaboration.

While we are pleased to recognize the State's many accomplishments, I do need to mention a couple of areas of concern that we look forward to working with the State to address. First, I wish to point out that Region 5 disagrees with the statement contained in your annual performance report that USEPA has changed its previous position related to water quality criteria

for sulfates and total dissolved solids. USEPA is committed to ensuring that any water quality criteria are protective of Illinois surface waters and consistent with the requirements of the Clean Water Act and federal regulations. In addition, we remain concerned, based on Illinois' projections, about the State's ability to meet the 10 percent national backlog reduction goal for minor NPDES permits by December 2005. Although not covered by the grant, I also wish to support the need for continued progress in resolving issues associated with Title V permitting that are being elevated through the petition process. Region 5 looks forward to working with you in partnership to bring these issues to satisfactory resolutions.

I hope these comments are helpful. Illinois EPA can be proud of the accomplishments made in FY 2004 and we look forward to our continuing efforts to protect public health and the environment in the State of Illinois. If I can be of any assistance, please feel free to contact me.

Very truly yours,

/s/ Norman Niedergang for

Bharat Mathur
Acting Regional Administrator

Enclosure

**U.S. EPA
Region 5**

**Comments on
Illinois Environmental Protection Agency (Illinois EPA)
Fiscal Year 2004 Environmental Program**

Clean Air Programs:

Regulation Development

The U.S. Environmental Protection Agency (U.S. EPA) appreciates the Illinois Environmental Protection Agency's (Illinois EPA) cooperation in conducting ozone and PM_{2.5} related analyses and modeling through the Lake Michigan Air Directors Consortium, as well as providing information which allowed us to complete designations for ozone and PM_{2.5}. U.S. EPA also commends Illinois in their attempt to conduct similar joint analyses and modeling in cooperation with Missouri for the St. Louis/East St. Louis areas, and their timely submittal of annual and ozone season emissions data to the National Emissions Inventory.

Permits (Note: It is recognized that Title V permitting is not funded by grant dollars, but we provide these comments as part of our overall state program end-of-year assessment.)

At the end of 2003, Illinois had issued 348 final Title V permits, and 27 initial permit applications remained pending. No additional initial Title V permits were issued final during 2004, although Illinois EPA did publish revisions to 22 proposed Title V permits for utility sources in an effort to resolve some of the public concerns about those permits. Additional effort is needed to complete the initial Title V permit issuance as soon as possible.

Issuance of renewal and modifications of Title V permits is a concern for Region 5. Illinois has issued only 51 Title V renewals out of 165 sources which have exceeded the 5 year Title V permit term. Region 5 is also concerned about the inability to resolve EPA comments on Illinois Title V permit renewals and modifications prior to State permit issuance. Region 5 staff has developed training on writing Title V renewal permits, to be presented to Illinois permit staff. However, we are concerned about Illinois EPA's reluctance to allow the training to be presented in Illinois, due to disagreement over the content of Region 5's training material. Illinois is meeting with Region 5 staff to resolve permitting issues by attending monthly Title V program calls, in addition to the monthly NSR program calls already in place. Also, Illinois has made significant effort to enter all required data in the RACT/BACT/LAER Clearinghouse (RBLC) by eliminating their backlog of data and entering data from current permits in a timely manner.

Compliance/Enforcement

U.S. EPA and IEPA continue to have a good working relationship. The staffs of both agencies have worked productively together on a number of enforcement related issues. However, reporting and program performance submissions were late or nonexistent. IEPA did not submit its Compliance Monitoring Strategy plan for FY04. Additionally, compliance reporting of significant violators, enforcement actions taken, enforcement actions concluded, dates of stack tests, and stack tests results were several months late. We are working to resolve these issues in FY05.

Air Monitoring Network

Illinois EPA continues its operations of the State's monitoring system extremely well, efficiently and independently. The State has consistently met all of their Federal monitoring requirements on time and according to 40 CFR Part 58. They respond in a timely manner to the Region's requests and continue to be very cooperative. They submit their ambient air quality data to AQS on time and usually have complete data.

BioWatch

Illinois EPA manages the BioWatch network and USEPA provides contracted support for the day to day operation of the network. The contract is issued through the National START 2 contract. START 2 contractors will conduct post event site sampling, should a filter be reactive, as a part of the consequence management plan. Phase 1 sampling plans are developed and in place for all the current sites. Illinois EPA is fully engaged in the consequence management portion of BioWatch.

Quality Assurance

U.S. EPA Region 5 conducted Technical System and Performance Audits at the State; the results for both audits were satisfactory. The quality assurance program is operating at acceptable performance, with no deficiencies reported.

Emissions Inventory

U.S. EPA reviewed the emissions portion of the Illinois 2004 APR/PPG. Illinois EPA continues to be on top of the list regarding criteria emissions reporting into the National Emission Inventory data base. IEPA has submitted the statewide emissions inventory for all the major sources in 2004.

Air Toxics and Assessment

Illinois EPA reported that they participated in quarterly risk assessment conference calls in the development of risk assessment guidelines. These calls are a forum for States to discuss common questions or to provide solutions to risk assessment issues, as opposed to a group developing specific guidelines. We suggest replacing the current description in the report with

the following language that will more accurately reflect the goals of the quarterly calls; “These calls are an opportunity for Region 5 States to share their experiences and work on community based risk assessment projects and discuss issues or topics of interest related to risk assessment”.

Greater Chicago/Great Cities Program

The Region looks forward to continued joint work with the Illinois EPA on the Greater Chicago Great Cities Program. FY 2005 saw progress securing agreement to move forward in listing the Cluster sites on the National Priorities List (NPL), developing material for the Chicago Area Rivers Use Attainability Analysis, and diesel particulate control activities.

The Cluster Sites team has enjoyed working with Bureau of Land (BOL) staff. U.S. EPA is negotiating with the Potentially Responsible Parties to conduct the Remedial Investigation/Feasibility Study in response to the Special Notice Letter dated December 17, 2004. In general, we believe that the Cluster Sites has provided a very good example of how our Agencies can join forces and resources to resolve outstanding, long-lasting, and difficult to address environmental problems. We would like to note our appreciation of BOL sensitivity and openness to citizen interest and participation in Cluster Sites discussions.

The IEPA has made great strides in preparing materials for the Chicago River Waterway Use Attainability Analysis. Region 5 believes that the Use Attainability Analysis (UAA) should prove to be an important tool in coming to consensus on Chicago River water quality goals.

This year, there was a good confluence of interests in the development of diesel particulate control projects on the part of both agencies. Two noteworthy USEPA grants were \$200,000 awarded to the City of Chicago for the retrofit of garbage trucks, and \$315,000 for the retrofit of Chicago Public School school buses. Installation of controls on school buses, garbage trucks, and construction equipment will lead to the reduction of diesel emissions.

Hazardous Waste Management Program

Illinois EPA staff is to be commended for their FY 2004 end of year accomplishments and we appreciate their commitment towards public health and environmental issues in the State and support their efforts in their household hazardous waste program, in implementing the RCRA corrective action program, their LUST program and the State’s involvement in the national initiative for inspecting foundries, all that could result in a successful model that can be used effectively by other state environmental agencies.

Land Program

Illinois EPA is the only state in Region 5 that inputs their compliance assistance visits in RCRAInfo. The State is well ahead of schedule in meeting their annual EI determinations and

has done an excellent job in implementing the RCRA Corrective Action Program and successfully completed the household hazardous waste collection in McHenry County. From the GPRA Permit Baseline, Illinois EPA has accomplished 100% of the operating permit universe. The State's involvement in the national initiative for inspecting foundries increased the number of foundry inspections that were performed in Illinois.

LUST

Illinois EPA successfully met all work plan commitments during this fiscal year. The State cleaned up 415 sites during the first half of FY04 and 469 during the second half for a total of 884 annual cleanups. This is very close to the FY04 goal of 900. The State also successfully closed out more LUST incidents than those being reported.

Toxics/PCBs

Illinois EPA will also ensure the quality of the work performed by their inspectors by reviewing the inspection reports and making certain the reports adequately discuss the details of the inspection and provide proper evidence for any violations.

Superfund Program

The U.S. Environmental Protection Agency [U.S. EPA] and the Illinois Environmental Protection Agency [EPA] conducted the Fiscal Year [FY'04] Superfund Year-End Assessment & Planning Meeting on Tuesday, February 22, 2005, at the U.S. EPA Region 5 offices located in Chicago, Illinois. On Wednesday, February 23, 2005, U.S. EPA also hosted the Superfund FY'05 Joint Session Meeting. The purpose for this meeting is to serve as a tool for information exchange, as well as, an opportunity for States to discuss issues, and get feedback on particular subjects or items of concern. These meetings also provide the States with a chance to raise issues for group discussions with both the Region and among the other States.

The FY'04 Year-End Meeting and the follow-up Report are used to review and document the Illinois EPA's performance under their Cooperative Agreements [CAs] with the U.S. EPA. Particularly, CAs for State-Lead projects. The Year-End Meeting also allows U.S. EPA to assess the overall implementation of the Superfund Program in the State of Illinois.

U.S. EPA and Illinois EPA topics of discussion for the State Specific meeting included: Superfund FY'05 Priorities; Future Funding; Federal-Lead Updates; State-Lead Updates; Illinois Financial Status of CAs; Brownfield & Site Assessment Programs; The Core Program; Five Year Reviews; and both agencies' organizational changes.

Remedial Response:

Southeast Rockford Groundwater Contamination Site [SERGC]: The Record of Decision [ROD] was signed in June 2002 for the third and final Operable Unit for this site. The ROD addressed four major source areas 4, 7, 9/10, and 11 that will remove the continued source of groundwater contamination. United Technologies/Hamilton Sundstrand have begun their Remedial Design [RD] site investigation with residential air sampling in the summer of 2003 in source areas 4 and 7 as specified by the ROD. The residential air sampling determined that a pathway to the foundation level in Source Area 4 existed as did a partial pathway to the foundation in Source Area 7. However, actual indoor air sampling using Summa Canisters revealed that levels inside homes did not constitute a health risk at that time. Illinois EPA through its contractor began conducting design investigations from design of the remedy in 2004. Upon completion of the design work, a design was submitted to U.S. EPA and was accepted allowing the Illinois EPA to apply for Remedial Action [RA] funding. It is anticipated that Illinois EPA will begin construction of the leachate portion of the remedy for Source Area 4 in the late summer or fall of 2005. Design work began in Source Area 7 in 2004 despite the reluctance of the Eckbergs' to allow access to their property. DOJ and the IAGO are pursuing enforcement against the Eckbergs for access issues.

Illinois EPA is currently working with the City of Rockford to allow the City to make improvements along Harrison Avenue which will involve Source Areas 11, and 9/10. In addition, Illinois EPA is assisting the City and other potential developments inside the SERGC for properties that are not sources to the groundwater contamination.

Interstate Pollution Control: Region V concurred on this ROD as of October 2002 via a clarification letter. Negotiations with the Potentially Responsible Parties [PRPs] for implementation of this remedy have begun. Meetings with the PRPs, the Illinois EPA, and the IAG were on December 11, 2003. The PRPs have a copy of the draft RD/RA Consent Decree and SOW. The Illinois EPA expects favorable results from these negotiations. Both Illinois EPA and the PRPs have a goal of completing construction this Fiscal Year 2005.

New Jersey Zinc: The Phase I On-Site Remedial Investigation [RI] report is expected to be finalized this fiscal year and indicate the need for a Phase II effort before FS activity for the plant site area can be completed. The South Ditch Sediments [OU #1] RA Work Plan has been approved for a RA start this spring [weather dependent]. The RA is estimated to take less than 120 days once construction is started.

During the last year, the closure continued on OU #2 [the phosphogypsum stack]. Clean closure of the 15 acre Clear Water Pond component of OU #2 was completed last fall. Redesign of the final grading plan and excessive precipitation during 2004 have delayed complete closure of OU #2 and is expected before year end, weather cooperating. The construction of an engineered wetland is anticipated this year with direct discharge from that unit to the Illinois River. This RA component should greatly assist with the overall management of surface and storm water of OU #2. Test plot activity to assess the viability of native vegetation species in the final closure is expected this spring and summer.

Work Plan development activity continues on the RI at DePue Lake [OU #5] with a draft work plan expected in the Spring of 2005. Field implementation of the RI of OU #5 is expected late summer. Response to agency comment is under review at this time relating to the RI Work Plan for Off-Site Soils [OU #4]. Work Plan finalization is expected with field work in May of 2005. The likelihood of identifying properties properly handled by removal action mechanisms is likely. The completion of the OU #4 RI, FS, and initiative of the RA will be closely coordinated to minimize "Stigmatized Property" impacts with in the Village of DePue.

Collection, treatment and discharge of contaminated groundwater and surface water continue. Improvements to the overall site storm water management plan have significantly aided collection and treatment. By pass of the collection system has not occurred since July of 2003.

Discussion with the PRPs has been initiated relating to NRD assessment. A draft model NRDA Funding and Participation Agreement has been provided to the PRPs by the Office of the Illinois Attorney General. There is some strong likelihood that later components of the RI of OU #5 and the NRD assessment field work can be combined in a cost and time saving effort.

LaSalle Electrical Utilities: As part of the ongoing Phyto-Remediation efforts at this project, over 600 hybrid willow and poplar trees were planted during FY'02 in an area of perchloroethylene contamination. Significant growth has been measured in all trees with extremely favorable influences on groundwater gradients in the Perc. Area plantation. Preliminary destructive sampling of a limited number of trees indicated the uptake of perchloroethylene late in 2003.

Construction of two Soil Vapor Extraction Units, enhanced with pneumatic soil fracturing, and the deep tube planting of over 450 hybrid willows and poplars in the area of the existing groundwater treatment plant was completed during FY'03. Assessment sampling during 2004 indicates the removal of approximately 1lb month of total chlorinates from site soils and groundwater by the dual phase SVE systems. The GTU plantation trees have yet to reach contaminated groundwater; this is anticipated this growing season.

Region V participated in development and finalization of an ESD to the ROD allowing retention of GTU effluent on site for reuse as irrigation source water for the phyto-remediation plots. Physical tankage and piping changes were affected during 2004. Groundwater collection and treatment continued with only minor scheduled maintenance interruptions.

Phase II contractor claims and the State's defense were presented to the Illinois Court of Claims on June 04, 2004. A ruling is not expected from the Court of Claims until late in FY'05 at the earliest.

MIG/DeWane Landfill: Throughout calendar year 2004 routine site monitoring and maintenance continued. Monitoring and maintenance items include the site fence, landfill cap, leachate surface impoundment, landfill gas interceptor trench, gas monitoring wells, and gas extraction wells. The landfill gas extraction and monitoring system is sampled quarterly. No gas excursions have occurred in the Wycliffe Estates subdivision since early winter of 2000. No gas

excursions have occurred in the soil borrow pit area [between the landfill interceptor and extraction trench and the subdivision] since fall 2001.

The RD/RA Consent Decree is expected to be completed by the end of February 2005. In early February 2005, a final draft RD/RA was submitted by the Illinois Attorney General's Office to the Illinois EPA for review and comments. A new Scope of Work was prepared by BFI/Allied according to U.S. EPA's new model SOW in early February. A meeting is scheduled for March 1, 2005, between the Illinois EPA, the Illinois Attorney General's Office, and BFI/Allied to finalize the SOW.

Republic Creosote: Illinois EPA has issued a 4[q] notice to three PRPs for performance of an RI/FS at this former wood treating facility. Notification was also sent to the State and Federal Natural Resource Trustees due to the potential for injury to a number of federal endangered species in the adjacent Ohio River. Responses to the 4[q] notice were received and negotiations with two PRPs - Reilly Industries, Inc. and Union Pacific Railroad - have been ongoing.

During October 2000 Illinois EPA referred this case to the Illinois Attorney General's Office for legal counsel to initiate negotiations on an RI/FS consent decree. The Consent Decree has gone through several iterations and has been edited to reflect these changes. Discussions have been ongoing with a third party interested in purchasing a portion of the site for possible redevelopment. An additional meeting with the PRP group and the IAGO'S Office is anticipated to tailor the Consent Decree to this purchase. Illinois EPA believes a settlement on this site is possible in early 2005.

Jennison Wright: Ecology and Environment, as the design firm for Illinois EPA, has completed the remedial design for this site. In September 2002, Illinois EPA submitted a request for funding the remedial action at this site. Partial funding was granted by U.S. EPA in the amount of \$3.6 million in September 2004.

With this partial funding, Illinois EPA will begin physical construction of the site remedy in March 2005. The funding will allow initiation of Remedial Action components called for in the 1999 Record of Decision by providing for construction and operation of the biological land treatment of site soils, initiation of HRC injection component the groundwater remediation, and removal offsite disposal of a portion of the drip track residues.

Former Creosote: Pursuant to Section 4[q] of CERCLA, notice has been sent to several potentially responsible parties. A scope of work was developed for the identified response action required of the PRPs.

Beloit Corporation: A CERCLA 122[h] settlement agreement was finalized in 2002. Mallory Properties has assumed responsibility for the Beloit Corporation facility. The property is currently being subleased as a transfer station for the railroad. During the last year the interim action [e.g., pump and treat system] at the site was revamped [i.e., pumps replaced] to bring it into acceptable operational status. The system appears to be functioning properly in capturing the groundwater plume on Beloit's property.

The Illinois EPA continues to monitor private residential wells in an adjacent neighborhood to ensure contamination is not entering the dwellings. Contamination has been significantly reduced in homes with previously elevated VOC results. Only one home is currently exceeding MCLs for VOCs and it is fitted with a carbon treatment unit to prevent contamination from entering the home.

Illinois EPA completed a ROD for the site. U.S. EPA and Illinois EPA signed the ROD in September 2004. U.S. EPA and Illinois EPA are currently negotiating a Consent Decree with the new owners to complete RD/RA at the site.

Parsons Casket Hardware: Illinois EPA has completed a final Feasibility Study Report. Additional investigations have identified potential VOC source areas off-site, which will be captured and treated by the remedy selection. Region V may need to expand the boundaries of this NPL site or initiate enforcement against these off-site source areas. New information shows VOC groundwater contamination extends beneath and beyond the Kishwaukee River. A Record of Decision is scheduled for federal fiscal year 2005.

Brownfields:

Illinois EPA uses the 128[a] grant to assure maintenance of land use controls, provide educational and outreach to local officials, perform site-specific assessments, and meet the public record requirement. As part of these activities, Illinois EPA organized the statewide Illinois Brownfields Conference on May 11 and 12, 2004. This event, attended by 240 people, featured 18 separate workshops on topics ranging from environmental assessments to building rehabilitation to sustainable reuse. The conference also hosted 45 exhibitors representing consulting firms, analytical laboratories, and government agencies. Additionally, Illinois EPA conducted two sustainable design charrettes in partnership with the Land Revitalization Coordinator at U.S. EPA's Region 5, the Northeastern Illinois Planning Commission, and the Western Illinois Regional Council. A charrette is a multi-stakeholder to create and use plans to transform brownfield sites into viable and environmentally responsible properties. Illinois EPA also performed site-specific assessments in the communities of Barrington Hills, Centralia, DeKalb, Des Plaines, South Beloit, and Sterling.

Clean Safe/Water Program:

BUREAU OF LAND

Underground Injection Control (UIC):

The Federal UIC program is unable to provide an evaluation of the Illinois EPA's assessment of their UIC program because the annual report does not include any information on Illinois EPA's efforts to implement a UIC program.

BUREAU OF WATER

Concentrated Animal Feeding Operations (CAFO):

Region 5 is pleased that Illinois issued a general permit for concentrated animal feeding operations in 2004. We are impressed with the fact that the State conducted 359 inspections in the agriculture program in 2004. The Region understands that the State inspected 70 Large CAFOs in 2004.

Enforcement:

Illinois EPA continues to report performance exceeding the enforcement program target compliance rate of 95% for majors. In FY '04 Illinois EPA's annual compliance rate was 97.5%. Program outcomes and commitments were within most of the design requirements as verified by work products generated and a database query of the Permit Compliance System (PCS). Illinois EPA performance, activities and deliverables involving Combined Sewer Overflows (CSO) has broadened USEPA's knowledge regarding the number communities with and without enforceable Long Term Control Plans (LTCP). USEPA congratulates Illinois EPA on the successful completion of the FY '04 CSO statistically valid noncompliance rate project, which was created to develop a national CSO compliance rate. USEPA also compliments Illinois EPA on its development of several web sites, particularly those communicating stormwater activities and enforcement cases filed.

For a more in depth review of Illinois EPA program outputs and suggestions on how to build upon program performance and communicate environment results, refer to the Watershed Management, National Pollutant Discharge Elimination System (NPDES) Program Delegation and Compliance Assistance/Enforcement sections.

Watershed Management

Program Output 4: Number of facility inspections conducted and summary outcome of those inspections. The number of inspections conducted appears very high and EPA appreciates the level of field presence that Illinois EPA is able to provide. The program output required a summary of the outcomes that was not provided. Without the analysis regarding the inspection outcomes it is difficult to evaluate the overall effectiveness of the program.

Program Output 5: Number and percentage of approved pretreatment facilities audited in the reporting year. Of those, the number of audits finding significant shortcomings and the number of local programs upgraded to achieve compliance (including number of CIUs in non-pretreatment Publically Owned Treatment Works (POTW)). The number of audits reported, which are based on the State fiscal year, are significantly less than the amount reported using the Federal fiscal year. The actual number reported in 2004 makes it appear that the 20% commitment typically required for this measure was not achieved. It appears that Illinois EPA conducted audits at around 10% of their approved programs. This is somewhat less than what would be necessary to stay on track to audit all approved programs in a 5-year period. To better

report on this output, the State should indicate the corresponding reporting period, in addition to the number of audits conducted.

Program Output 6: Percent of POTWs that are beneficially reusing all or part of their biosolids. Illinois EPA should include a brief synopsis of the statistics characterizing biosolids production, multi-year trends and any specific emerging compliance issues throughout the program.

Program Output 8: Finalize list of categorical industrial users (CIU) in non-approved cities and update operating permits. Illinois EPA should include, in the response, an actual or estimate of the number CIUs operating under an authorization permit. Also, the State indicated that it had issued/reissued Construction and Operating permits that incorporate pretreatment requirements as committed, but provided no specific information regarding the number of permits issued. In addition, Illinois EPA had committed to inspecting 20% of identified CIUs in non-pretreatment POTWs, but did not provide information regarding whether this commitment was met.

Program Output 9: Number of pretreatment annual reports received and reviewed. The information reported for the output lacks detail and requires further clarification about what it actually represents.

Drinking Water Program:

Illinois EPA did not commit to the Office of Water Strategic Plan measure to conduct sanitary surveys once every three years at surface water systems that purchase their water, USEPA will continue to work with Illinois EPA to find a workable solution to this problem.

Source Water Protection:

USEPA commends Illinois EPA for completing source water assessments for all public water systems in the State. Remaining set-aside funds will be used to fund an enhancement of the State's data management system to improve the availability of source water assessments, engineering evaluations and sanitary survey results to the public with appropriate security. Illinois EPA has been successful in utilizing the funding available for source water protection and corresponding outreach to the public. As a result, USEPA is confident that Illinois EPA will continue to use creative approaches to promote progress for the source water protection program.

Illinois EPA is commended for their work to protect sources of drinking water on the Mississippi River Coordination project which was developed from an agreement between the Governors of Illinois, Wisconsin, Iowa and Missouri. The initiation of this project encourages interstate source water protection coordination and data sharing.

NPDES Program Delegation:

Program Output 38: Pretreatment Effectiveness Report. Any supplemental information that illustrates the States' thorough management and oversight of its pretreatment program, such as compliance levels, enforcement actions taken by the State or the control authorities, and the number of Industrial Users (IUs) construction permits issued and inspections conducted as part

of pretreatment program audits and management, would be impressive. Negotiations between Illinois EPA and USEPA are going to develop a standardized format to effectively manage, oversee and highlight the pretreatment program. In addition, Illinois EPA has committed to working with USEPA to finalize a list of all CIUs in non-approved pretreatment cities.

NPDES Permit Backlog:

Program Output #39: Substantial elimination of the backlog of expired NPDES permits in compliance with USEPA goals. Illinois EPA met the backlog reduction goal for majors by December 2004. The percent of major and minor permits that have current permits is 91 % and 67%, respectively.

Program Output #40: By February 29, 2004, Illinois EPA will provide a list of major permits that will be issued in CY2004 and CY 2005. Illinois EPA will also provide a strategy for issuance of minor permits and will work from the list supplied to USEPA on February 29, 2004. Based on PCS data, as of January 24, 2005, Illinois EPA has 275 major and 1536 minor NPDES permits. In CY '04, the State issued NPDES permits for 64 major and 262 minor facilities. Illinois EPA met the commitment of reducing the backlog of major permits to 10% by end of CY '04. Currently, the backlog is at 9% and 33% for major and minor permits, respectively. The following numbers are based on PCS data as of January 24, 2005, and Permit Implementation Forecasting Tool (PIFT) data projections that Illinois EPA provided on January 4, 2005.

	Permits Expired		Year 2005			Year 2006			Year 2007			Year 2008			Year 2009		
			Expiring		Plan to Issue	Expiring		Plan to Issue	Expiring		Plan to Issue	Expiring		Plan to issue	Expiring		Plan to Issue
	#	%	#	%		#	%		#	%		#	%		#	%	
Majors	26	9	59	6	75	59	6	59	49	6	59	49	6	12	40	6	40
Minors	531	33	237	43	237	120	43	120	205	43	205	98	43	98	248	43	248

Based on Illinois EPA's current projections, it would be difficult for Illinois EPA to meet the 10% national backlog reduction goal by December 2005 for minors. Illinois EPA committed to reducing the backlog of minor permits to 10% by end of CY '05. However, the PIFT data projections do not reflect the backlog reduction of minor permits. The State needs to revise the projections data on PIFT reports to reflect the commitment of backlog reduction of minor permits to 10% by end of CY '05.

Output 41: Number of stormwater sources associated with industrial activity, number of construction sites over five acres, and number of designated stormwater sources (including Municipal Phase I) that are covered by a current individual or general NPDES permit. Illinois EPA has issued all permits required by Phase II of the National Storm Water regulations. Illinois EPA issued general permits for storm water discharges from both construction and industrial activities. Illinois EPA has received 480 notices of intent (NOIs) for coverage under its general permit for storm water discharges from small municipal separate storm sewer systems. Illinois EPA has also received 2,894 NOIs for coverage under its general permit for industrial storm water discharges and 4,402 NOIs for coverage under its construction general permit. Illinois

EPA has also met its commitment to reissue the Phase I storm water permit for Rockford, IL. The permit was issued on November 10, 2004 and was effective on December 1, 2004. In summary, Illinois EPA has fulfilled all its commitments to issue both Phase I (Rockford) and Phase II (general permits for small MS4s, industrial and construction) permits given Illinois' limited storm water staff level and has made good progress in implementing these permits.

Program Output 42: Number of permittees that are covered by NPDES permits or other enforceable mechanisms consistent with the 1994 CSO policy. USEPA is comfortable with Illinois' response to this commitment.

Onsite Assistance to Small Communities:

Although the report discusses performance in the compliance area of the water programs, there is no mention of the activities done under the 104(g)(1) grant in the area of onsite assistance to small communities. In addition to visiting communities to help them improve their treatment plant performance, in December, Illinois EPA sponsored the Regional Operator Trainer Conference which brought all the Region 5 states together to share their accomplishments, ideas and problems. Although not strictly part of compliance, employees who do onsite assistance at Illinois EPA are part of the compliance staff. Inclusion of these activities would reflect favorably overall on Illinois EPA's work in the wastewater treatment area.

Compliance Assistance/Enforcement:

Program Output 59: By March 31, 2004, Illinois EPA will provide a report which lists all CSO communities and identifies, to the extent information is available, the following: their status in implementing the nine minimum CSO controls; whether a Long Term Control Plan (LTCP) is needed; whether they have developed an LTCP; status of implementing an LTCP, and whether they have an LTCP implementation schedule that extends longer than five years from July 1, 2002. Information regarding the status of implementing the nine minimum controls and LTCP will be updated with the end-of-year report. Illinois EPA's annual report result for this output refers back to program output 42 where the status of 110 CSO communities is summarized. This output provides only a brief overview of the CSO communities implementing controls consistent with federal CSO control policy. Region 5's Water Enforcement and Compliance Assurance Branch (WECAB) which developed the language for this output only recently received several files with CSO related information and is in the progress of evaluating submitted information to determine if it satisfies program requirements. In the future, Illinois EPA should provide all enforcement-based or program developed outputs directly to WECAB.

Program Output 62: Submit to USEPA on a quarterly basis a report/table summarizing CSO/Sanitary Sewer Overflow (SSO) events based on State notifications received from CSO communities. Illinois EPA did not provide, as agreed to, a report/table summarizing CSO/SSO events. Although, USEPA recognizes the value of providing CSO events through PCS, considerable time and resources are required to retrieve this data. The agreement also was to provide information on SSO events, which are critical for accomplishing important FY '05 SSO performance based strategies, measures and outcomes. During fiscal year 2005, Illinois EPA

needs to provide a quarterly CSO/SSO event report/table which includes, but is not limited to, the reporting entity, notification date, event start and end date, reason for discharge, discharge volume, discharge location, receiving water, land impacted, and actions by Illinois EPA.

Water Pollution Control Inspection Strategy:

Program Output 63: Inspection Strategy at the start of the fiscal year identifying overall goals and priorities including an approach for targeting CAFOs. See comments regarding Program Output 4.

Water Quality Standards:

Program Output 66: Submit a rulemaking package to the Illinois Pollution Control Board revising General Use sulfate and total dissolved solids water quality standards. USEPA disagrees with Illinois EPA's summary that USEPA changed our previous position. USEPA is committed to ensuring that any water quality criteria for sulfates and total dissolved solids are protective of Illinois surface waters and consistent with the requirements of the Clean Water Act and Federal regulations. Additional toxicity data, supported by a grant from USEPA, will be available later this year that we believe will be useful in deriving protective water quality criteria for sulfates and total dissolved solids.

Program Outputs 67: Continue to develop water quality standards for nutrients specific to the needs and conditions in Illinois in accordance with their approved plan. Illinois EPA is implementing its nutrient criteria plan. USEPA recognizes Illinois EPA's continued involvement in Regional meetings and calls related to nutrient criteria development and is pleased with the productive working relationship that has been formed with Illinois EPA's nutrient standards coordinator. In addition, USEPA recognizes Illinois EPA's efforts to adopt an interim technology-based phosphorus effluent limit for new and expanding dischargers. While this effluent limit is not directly related to the development of nutrient standards, USEPA looks forward to discussing how such avenues of nutrient controls may be utilized in conjunction with numeric nutrient criteria to protect Illinois surface waters from eutrophication.

Program Output 68: Continue efforts for establishing biocriteria standards. USEPA recognizes Illinois EPA's efforts to develop biocriteria and to consider tiered aquatic life uses. Illinois EPA participated in discussions with USEPA and the Midwest Biodiversity Institute/Center for Applied Bioassessment and Biocriteria (MBI/CABB) on assessing Illinois EPA's bioassessment program.

Program Output 69: Continue efforts to adopt EPA's Ambient Water Quality Criteria for Bacteria - 1986 (transition from fecal coliform to E. coli and/or enterococci indicators) for the protection of recreational uses. For Lake Michigan coastal waters, changes will be in accordance with Beach Act requirements. In addition to what Illinois EPA provided in the self assessment, on July 9, 2004, USEPA promulgated bacteriological water quality standards for 25 states and territories, including Illinois, in connection with the BEACH Act. The BEACH Act requires states with coastal recreation waters to adopt, by April 2004, water quality standards for pathogens and pathogen indicators as protective as USEPA's criteria. The BEACH Act also

directed EPA to promulgate pathogen standards for states that fail to adopt such standards. In July 2004, Illinois did not have pathogen criteria that are as protective as USEPA's.

Program Output 70: Illinois EPA will continue to address USEPA's water quality criteria for bacteria (E. coli) in a step-wise approach. In accordance with the BEACH Act, USEPA will issue updated guidance on bacteria water quality standards in 2005.

Total Maximum Daily Load (TMDL)

Program Output 71: Develop and submit timely final 2004 TMDL list to USEPA for approval. The list was due on April 1 and was received on July 26, nearly four months late, due to the timing of assessment of data. Illinois EPA has indicated that they will develop an integrated list in 2006. The listing process will need to begin in 2005 to assure a timely submittal in 2006. As such, Region 5 is providing information and assistance in development of Illinois' integrated report as well as lessons learned from other state's development of their integrated reports.

Program Output 72: Develop TMDLs in accordance with the approved schedule. Illinois EPA projected 60 TMDLs and delivered 108. We commend Illinois EPA for their efforts in this area during FY 2004.

Monitoring and Assessment:

Program Output 75: Percent of state waters monitored and assessed as Good, Fair, or Poor (includes waterway, inland lake, and Lake Michigan). Illinois EPA met this output. The State developed and submitted the 2004 305(b) report which includes information on the percent of waters monitoring and assessed in the three categories. USEPA encourages the State to continue its current efforts to move toward an Integrated Reporting format for 2006 and beyond.

Program Output 76: Percent of river mile and lake acres that have been assessed for the need for fish consumption advisories; and compilation of Site-issued fish consumption advisory methodologies. Illinois EPA met this output. In addition to the States annual collection and analysis of fish tissue samples and the preparation of the States annual fish consumption advisory, in 2004 Illinois worked with the Ohio River Valley Sanitation Commission (ORSANCO), other Ohio River States and USEPA on a review of the ORSANCO fish monitoring program. The review should result in some improvements in sampling design and better use of fish tissue monitoring resources. Additionally, Illinois and the other Great Lakes States are working on the development of uniform procedures for issuance of mercury-based fish consumption advice. A Health Protection Value for Chlordane, which Illinois developed several years ago, and which has been informally used by several Great Lakes States, has been formally approved by the interstate panel.

Program Output 77: The new fish IBI and computer program to calculate IBI scores will be used in resource-quality assessments to be reported in the 2004 305(b) report. Procedures will be defined for incorporating the new IBI scores into the decision-making criteria used to assess attainment of designated uses. AND Program Output 78: Continue development and evaluation of macroinvertebrate sampling methods and of a multi-metric index of biological integrity for

macroinvertebrates. Continue development and evaluation of the multi-variate approach for using macroinvertebrate information in resource-quality assessment. Illinois EPA met the outputs. USEPA is providing technical assistance to Illinois EPA on the development and refinement of its fish and macroinvertebrate indices.

Program Output 79: Insure that USGS completes and transmits to the Illinois EPA a report summarizing the data collected and conclusions drawn from the eight continuous monitoring program sites for use in the nutrient standards development process. Illinois EPA is implementing its nutrient criteria plan. USEPA recognizes Illinois EPA's continued involvement in Regional meetings and calls related to nutrient criteria development and is pleased with the productive working relationship that has been formed with Illinois EPA's nutrient standards coordinator. In addition, USEPA recognizes Illinois EPA's efforts to adopt an interim technology-based phosphorus effluent limit for new and expanding dischargers. While this effluent limit is not directly related to the development of nutrient standards, USEPA looks forward to discussing how such avenues of nutrient controls may be utilized in conjunction with numeric nutrient criteria to protect Illinois surface waters from eutrophication.

Program Output 80: Work with ORSANCO and other partners to evaluate methods used for large river biological assessments. AND Program Output 81: Active participation on the Region 5 States Bioassessment Working Group. AND Program Output 82: Continued work with USEPA to jointly review Illinois EPA's bioassessment program against national guidance. Illinois EPA met the outputs. USEPA recognizes Illinois EPA's active efforts in working with ORSANCO, USEPA, and other states on evaluating assessment methods for larger rivers, including the Ohio River. Illinois EPA is an active member in the Region 5 Bioassessment Workgroup and attended the annual meeting in 2004. Illinois EPA continues to work effectively with USEPA in joint review of the State's bioassessment program

Program Output 83: In FY2004, update STORET with water quality data (and appropriate system for biological data). In addition to Illinois EPA's Storage and Retrieval System (STORET) summary in the self assessment, Illinois EPA is currently entering assessment data into the national Assessment Database (ADB) Version 1.0. Illinois EPA is working with USEPA to a full transition to the ADB Version 2, possibly in time for 2006 submittal. Illinois EPA has requested assistance on the Regional level to aid in converting data from Version 1 to Version 2, including any data compatibility issues that may arise during this transition period. In 2005, USEPA will be hosting ADB training. Illinois EPA has expressed interest in having several staff members attend.

Program Output 84: Participate in FY2004 SWiMS Meeting as resources allow. Illinois EPA met the output. Illinois was an active participant on the Surface Water Monitoring and Standards (SWiMS) planning committee and sent ten people to attend the meeting.

Program Output 85: Develop improved water quality monitoring strategy or related implementation plans/schedules by September 30, 2004, to address issues raised in joint evaluation of Illinois EPA's water monitoring program strategy. As noted in the self-evaluation, Illinois EPA and USEPA agreed to extend the deadline for submission of the revised monitoring strategy information. Illinois EPA did submit a status report on progress toward completion of

this output measure on September 28, 2004. Additionally, Illinois EPA and USEPA have discussed various issues during FY '04 that the State is considering as part of the revision. For example, Illinois EPA and USEPA have had conference calls and face-to-face meetings discussing alternative designs (probabilistic, geometric, etc.) that the State might consider in revising the program.

Program Output 86: Input is provided in the design and potential implementation of a national probabilistic study to assess the condition of wadeable streams throughout Region 5. Illinois EPA met the output. Illinois EPA worked with MBI/CABB (the grantee implementing the monitoring in Illinois) on site reconnaissance and other aspects of the project.

Greater Chicago Area Waterways:

Region 5 provides the following summary on Greater Chicago Area Waterways efforts during FY 2004:

- The Health Advisory Committee produced a recreational advisory pamphlet for the Chicago Area Waterways System (CAWS). Illinois EPA, Metropolitan Water Reclamation District of Greater Chicago (MWRDGC) & USEPA coordinated the spring 2004 distribution.
- No signs were posted along the Chicago Area Waterways in time for the 2004 recreation season, but Region 5 was recently informed by MWRDGC that they have begun posting signs and all should be in place for the 2005 season.

Illinois EPA, with the assistance of the Use Attainability Analysis (UAA) contractor, is in the process of completing the assessment of the data collected during the Stakeholder Advisory Committee Meetings, public meetings and data collections efforts. A draft report was issued in February 2005. Issues that remain include: the need for a timeline for submittal to the Pollution Control Board, incorporation of the economic and engineering analyses being conducted by MWRDGC, and a discussion and resolution of the need to collect any other data to support the UAA such as a cost analysis.

- Chicago Area Rivers Restoration Initiative meetings were held and covered topics including sharing information on the need to establish more storage capacity for dredged sediments (and the U.S. Army Corps of Engineers plan to develop the capacity), the City's interest in addressing sediment issues at Bubbly Creek, and sediment issues under discussion in the Use Attainability Analysis for the Chicago Area River Waterways.

bcc's: official file copy w/attachments
 originator's file copy w/attachments
 originating organization reading file

other bcc's ORA Reading file w/attachments

final: NK4/14/05 c:\epawork\documents\IEPA-EOY04

.

